

United States Senate

WASHINGTON, DC 20510

June 7, 2012

The Honorable Douglas H. Shulman
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, D.C. 20224

Dear Commissioner Shulman,

As you know, Trade Adjustment Assistance (TAA) benefits are a lifeline to employees and families who face the prospect of layoffs and job loss. As the head of the agency that administers a particularly important component of TAA, the Health Care Tax Credit (HCTC), we write today to seek your support in making sure that employees in our states are provided with the benefits they have earned under this program.

Two weeks ago, RG Steel, which operates facilities in West Virginia, Ohio, and Maryland, announced that it will begin idling its plants and laying off virtually all employees beginning on Monday, June 4, 2012. Additionally, last Thursday, the company filed for Chapter 11 bankruptcy protection, creating additional uncertainty as to when the plants will reopen and employees will be back on the job. All told, these announcements impact upwards of 4,000 employees and their families, as well as the communities whose economies rely on the jobs in these steel mills.

Although we are hopeful that jobs will be preserved, either through a restructuring in bankruptcy or purchase from a company who will continue operating the plants, it is absolutely critical that all employees impacted by these layoffs receive the federal benefits and services to which they are entitled. In particular, we have been made aware of concerns about employees' eligibility for TAA and importantly the HCTC in light of the many complexities surrounding petitions for facilities now owned by RG Steel.

Currently, no less than six TAA petitions, filed as a result of layoffs by the company's former owner, Severstal, apply to employees of RG Steel. Many of these petitions were filed in July 2009, but were not approved until October 2010, with impact dates as far back as June 2008. One facility, in Mingo Junction, had its impact date retroactively changed by the Department of Labor in August 2011 for the stated reason that employees at that facility are also covered by a seventh petition that was certified in July 2007 as a result of layoffs of another previous owner, Wheeling-Pittsburgh Steel. Some RG Steel employees may not be covered at all because their TAA petitions were denied or have since expired, while others may be eligible because their pensions are trusted by the Pension Benefit Guaranty Corporation (PBGC).

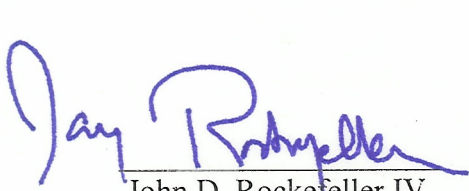
As a result of these multiple TAA petitions with varying and sometimes changing impact dates, as well as possible eligibility through the receipt of PBGC benefits, we want to make sure that no employees or retirees who are entitled to HCTC are denied benefits. These concerns are compounded by the fact that throughout this time, many employees who received TAA and HCTC benefits for brief periods of time were called back to work and may not have exhausted

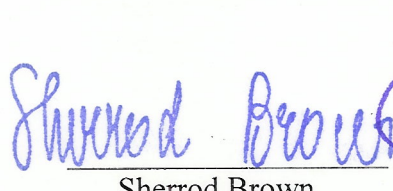
their full level of benefits. Additionally, because at least three separate companies have owned these facilities in recent years, we have been informed of inaccuracies in wage and hour data that have resulted in employees being wrongly denied benefits.

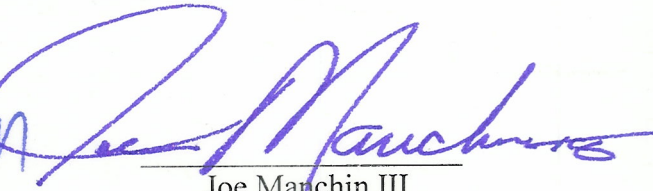
Therefore, we are requesting that the Internal Revenue Service work directly with the employees' labor union, the various companies involved, the relevant state workforce agencies, and the Department of Labor to guarantee that all impacted employees understand their rights and are provided with the federal and state assistance they have earned, including HCTC benefits. These benefits are literally a lifeline to employees who have been laid off and are training for new employment while also supporting their families.

Thank you for your consideration of this request. This issue is vital to our states and deserves the highest level of attention.


Sincerely,


John D. Rockefeller IV


Sherrod Brown


Joe Manchin III


Barbara A. Mikulski


Benjamin L. Cardin